

AGREEMENT BETWEEN
LAKE COUNTY, FLORIDA AND
GABRIEL ROEDER SMITH & COMPANY
FOR
ACTUARY SERVICES
FOR THE GOVERNMENTAL ACCOUNTING STANDARD BOARD
(GASB) ISSUED STATEMENT 45
RFP 07-0072

This is an Agreement between Lake County, Florida, a political subdivision of the State of Florida, hereinafter referred to as the COUNTY, by and through its Board of County Commissioners, and Gabriel Roeder Smith & Company, a corporation authorized to do business in the State of Florida, its successors and assigns, hereinafter referred to as CONSULTANT.

Recitals

WHEREAS, the COUNTY has publicly submitted a Request for Proposals, #07-0072 from firms qualified to provide professional actuary service and assist the COUNTY in complying with the GASB 45 requirement that will establish standard for the measurement, display and recognition of the Employers for Post-Employment Benefits (OPEB) expenses and liabilities, and

WHEREAS, the CONSULTANT desires to perform such services subject to the terms of this Agreement; and

WHEREAS, the COUNTY did hold a negotiation meeting in which the COUNTY and the CONSULTANT did reach mutual agreement as to the terms and conditions of such services; and

NOW, THEREFORE, IN CONSIDERATION of the mutual terms, understandings, conditions, premises, covenants and payment hereinafter set forth, and intending to be legally bound, the parties hereby agree as follows:

Article 1. Recitals

1.1 The foregoing recitals are true and correct and incorporated herein by reference.

Article 2. Purpose

2.1 The purpose of this Agreement is for CONSULTANT to provide professional actuary services in connection with the GASB 45.

Article 3. Scope of Professional Services

3.1 On the terms and conditions set forth in this Agreement, COUNTY hereby engages CONSULTANT to perform the services set forth herein in **Exhibit A**, known as the Scope of Services, attached hereto and incorporated herein by reference.

3.2 This Agreement shall be effective for twenty-four (24) month period immediately following the date of final execution. The COUNTY reserves the sole right to extend this Agreement for two (2) additional twelve (12) month periods at the same pricing structure, scope of services and terms and conditions.

3.3 The CONSULTANT shall coordinate and work with any other consultants retained by the COUNTY. CONSULTANT acknowledges that nothing herein shall be deemed to preclude the COUNTY from retaining the services of other persons or entities undertaking the same or similar services as those undertaken by the CONSULTANT or from independently developing or acquiring materials or programs that are similar to, or competitive with, the services provided under this Agreement.

Article 4. Payment

4.1 Payment shall be made as set forth herein in **Exhibit B**, known as Fee Schedule, attached hereto and incorporated herein by reference. In no event shall the contract amount exceed **\$12,390.00 (Twelve Thousand Three Hundred Ninety Dollars)** unless a change order has been executed in accordance with the COUNTY'S Purchasing Policy and Procedures. A copy of the COUNTY'S Purchasing Policy and Procedures shall be made available to the CONSULTANT upon request.

4.2 Invoices shall be submitted in duplicate to the Office of Employee Services, Attention Susan Irby, P.O. Box 7800, Tavares, Florida 32778. Each invoice shall contain the RFP number and a detailed description of services and fees. CONSULTANT shall submit invoices at the end of each month documenting the percent of completion of each task and requesting payment based upon such percent completion.

4.3 The COUNTY shall make payment on all invoices in accordance with the Florida Prompt Payment Act, sections 218.70 through 218.79, Florida Statutes.

4.4 CONSULTANT and COUNTY hereby agree that the hours of service set forth in **Exhibit B** for each task are projected hours of service and that the CONSULTANT'S actual time may be more or less than the budgeted hours. The COUNTY shall pay the CONSULTANT only for the lump sum budget as set forth in section 4.1 above.

4.6 Other than the common expenses, travel expenses, administrative and technical support expenses and computer expenses, if any, as set forth in **Exhibit B**, attached hereto and incorporated herein by reference, the CONSULTANT shall not be entitled to payment for any expenses, fees, or other costs it may incur at any time and in any connection with its performance hereunder.

4.7 In the event a specific project is to be funded by federal, state, or other local agency monies, the CONSULTANT hereby agrees to comply with all requirements of the funding entity applicable to the use of the monies, including receiving no payment until all required forms are completed and submitted. A copy of the requirements shall be supplied to the CONSULTANT by the COUNTY.

Article 5. County Responsibilities

5.1 COUNTY shall promptly review the deliverables and other materials submitted by CONSULTANT and provide direction to CONSULTANT as needed. COUNTY shall designate one County staff member to act as COUNTY'S Project Administrator and/or Spokesperson.

5.2 COUNTY shall reimburse CONSULTANT, in accordance with the Fee Schedule listed in Article 4 above for required services timely submitted and approved and accepted by COUNTY in accordance with the terms of this Agreement.

5.3 The COUNTY will provide to the CONSULTANT all necessary and available data, data developed and/or within the possession of the COUNTY, and any other data the COUNTY possesses that would be useful to the CONSULTANT in the completion of the required services. The COUNTY agrees that all information, documents and data requested in connection with the services required under this Agreement will be made available to the CONSULTANT and all such information, documents and data will be complete and accurate to the COUNTY'S knowledge. The CONSULTANT will have the full cooperation of the COUNTY'S personnel. The COUNTY will issue a representation letter concerning these matters, and that the CONSULTANT may rely upon such information documents and data with no duty to inquire or audit such.

Article 6. Special Terms and Conditions

6.1 Qualifications. All firms or individuals will be registered with the State of Florida and have obtained at least the minimum thresholds of education and professional experience required by the statutes to perform the work required under this Agreement.

6.2 Termination. This Agreement may be terminated by the COUNTY upon thirty (30) days advance written notice to the other party; but if any work or service/Task hereunder is in progress but not completed as of the date of termination, then this Agreement may be extended upon written approval of the COUNTY until said work or service(s)/Task(s) is completed and accepted.

A. Termination for Convenience. In the event this Agreement is terminated or cancelled upon the request and for the convenience of COUNTY with the required 30 day advance written notice, COUNTY shall reimburse CONSULTANT for actual work satisfactorily completed.

B. Termination for Cause. Termination by County for cause, default, or negligence on the part of CONSULTANT shall be excluded from the foregoing provision. Termination costs, if any, shall not apply. At least 30 days prior to Termination for Cause, County shall notify CONSULTANT in writing of CONSULTANT'S default or negligence and afford CONSULTANT opportunity to correct any default or negligence.

C. Termination Due to Unavailability of Funds in Succeeding Fiscal Years - When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, this Agreement shall be canceled and the CONSULTANT shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services/Tasks delivered under this Agreement.

6.3 Subletting of Contract. This Agreement shall not be sublet except with the written consent of the COUNTY'S Procurement Services Director. No such consent shall be construed as making the COUNTY a party to the subcontract or subjecting the COUNTY to liability of any kind to any subcontractor. No subcontract shall under any circumstances relieve the CONSULTANT of liability and obligations under this Agreement and all transactions with the COUNTY must be through the CONSULTANT. It is hereby noted that the CONSULTANT shall utilize Wakely Consulting as a subconsultant and no further approval is needed.

6.4 Insurance and Bond. CONSULTANT shall provide and maintain during the entire term of this Agreement insurance in the following types and limits with a company or companies authorized to do business in the State of Florida. CONSULTANT shall not commence work under the Agreement until COUNTY has received an acceptable certificate or certificates of insurance evidencing the required insurance, which is as follows:

(X) General Liability insurance on forms no more restrictive than the latest edition of the Commercial General Liability policy (CG 00 01 or CG 00 02) of the Insurance Services Office or equivalent without restrictive endorsements, with the following minimum limits and coverage:

(X)	General Liability	
(X)	Each Occurrence/General Aggregate	\$500,000
(X)	Products-Completed Operations	\$500,000
(X)	Personal & Adv. Injury	\$500,000
(X)	Fire Damage	\$50,000
(X)	Medical Expense	\$5,000
(X)	Contractual Liability	\$300,000

(X) Automobile liability insurance, including owned, non-owned and hired autos with the following minimum limits and coverage:

Combined Single Limit	\$300,000
or	
Bodily Injury (per person)	\$100,000
Bodily Injury (per accident)	\$300,000
Property Damage	\$100,000

(X) **Lake County, A Political Subdivision Of The State Of Florida, And The Board Of County Commissioners**, shall be name as additional insured as their interest may appear on the:

- (X) general liability policy
- () automobile liability policy

(X) Workers' compensation insurance in accordance with Florida Statute, Chapter 440, and/or any other applicable law requiring workers' compensation (Federal, maritime, etc).

(X) Professional liability (medical malpractice, engineers, architect, consultant, environmental, errors and omissions, etc.) insurance as applicable, with minimum limits of \$500,000 and annual aggregate of \$1,000,000.

(X) Certificates of insurance shall provide for a minimum of thirty (30) days prior written notice to the COUNTY of any change or cancellation of the required insurance.

(X) Certificates of insurance shall identify the RFP number, contract, project, etc. in the Description of Operations section of the Certificate.

(X) CONSULTANT shall be responsible for subcontractors and their insurance.

(X) The Certificate holder shall be: LAKE COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, AND THE BOARD OF COUNTY COMMISSIONERS, P.O. BOX 7800, TAVARES, FL 32778-7800

CONSULTANT Liability Insurance policies shall be endorsed to add COUNTY as an additional insured for General Liability Insurance. Additionally, CONSULTANT shall be responsible for payment of all deductibles and self-insurance retention on CONSULTANT Liability Insurance policies.

6.5 Indemnity - County. CONSULTANT agrees for good and valuable consideration in the amount of ten dollars (\$10.00) to indemnify and hold harmless the COUNTY, and its officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the CONSULTANT and other persons employed or utilized by the professional in the performance of the contract.

6.6 Independent Contractor. CONSULTANT agrees that it shall be acting as an independent contractor and shall not be considered or deemed to be an agent, employee, joint venturer, or partner of COUNTY. CONSULTANT shall have no authority to contract for or bind COUNTY in any manner and shall not represent itself as an agent of COUNTY or as otherwise authorized to act for or on behalf of COUNTY. Additionally, CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for CONSULTANT to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm other than a bona fide employee working solely for CONSULTANT any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

6.7 Ownership of Deliverables. CONSULTANT agrees that all deliverables under this Agreement shall be and remain the property of COUNTY including any applicable copyrights. CONSULTANT shall perform any acts that may be deemed necessary or desirable by COUNTY to evidence more fully transfer of ownership of all deliverables to COUNTY. Additionally, CONSULTANT hereby represents and warrants that it has full right and authority to perform its obligations specified in this Agreement. CONSULTANT and COUNTY recognize that CONSULTANT'S work product submitted in performance of this Agreement is intended only for the project described in this Agreement. COUNTY'S alteration of CONSULTANT'S work product or its use by COUNTY for any other purpose shall be at COUNTY'S sole risk. Only the deliverables are the property of the COUNTY, not the CONSULTANT'S workpapers, spreadsheet, software, etc. that were developed in the course of performing these services. To the extent permitted by Florida law, the COUNTY agrees to furnish the CONSULTANT'S deliverables in its entirety whenever possible.

6.8 Return of Materials. Upon the request of the COUNTY, but in any event upon termination of this Agreement, CONSULTANT shall surrender to the COUNTY all memoranda, notes, records, drawings, manuals, computer software, and other documents or materials pertaining to the services hereunder, that were furnished to the CONSULTANT by the COUNTY pursuant to this Agreement. Notwithstanding the above, CONSULTANT shall be entitled to retain a copy of all Materials and Deliverables for its files.

6.9 Access to Records. The County reserves the right to require the CONSULTANT to submit to an audit by any auditor of the COUNTY'S choosing. The CONSULTANT shall provide access to all of its records, which relate directly or indirectly to this Agreement at its place of business during regular business hours. The CONSULTANT shall retain all records pertaining to this Agreement and upon request make them available to the COUNTY for three (3) years following expiration of the Agreement. The CONSULTANT agrees to provide such assistance as may be necessary to facilitate the review or audit by the COUNTY to ensure compliance with applicable accounting and financial standards. Unless the audit is generated due to errors and/or omissions by the CONSULTANT, the COUNTY agrees to compensate the vendor at the stated hourly rates for the time necessary to assist in such an audit.

6.10 Retaining Other Consultants. Nothing herein shall be deemed to preclude the COUNTY from retaining the services of other persons or entities undertaking the same or similar services as those undertaken by the CONSULTANT or from independently developing or acquiring materials or programs that are similar to, or competitive with, the services provided under this Agreement.

6.11 Accuracy. The CONSULTANT is responsible for the professional quality, technical accuracy, timely completion and coordination of all the services furnished hereunder. The CONSULTANT shall, without additional compensation, correct or revise any negligent errors, omissions or other deficiencies in its designs, drawings, reports or other services. In performing its professional services, the CONSULTANT will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time

the services are provided. No warranty, express or implied, is made or intended by the CONSULTANT's undertaking herein or its performance of services, and it is agreed that the CONSULTANT is not a fiduciary with respect to the COUNTY.

6.12 Codes and Regulations. All work completed under this Agreement shall conform to all applicable federal, state and local statutes, codes, regulations and ordinances.

6.13 Truth in Negotiation Certificate. For all lump-sum or cost-plus fixed fee contracts exceeding \$150,000, the firm awarded the contract must execute a truth in negotiation certificate stating that the wage rates and other factual unit costs are accurate, complete and current, at the time of contracting. Any contract requiring this certificate shall contain a provision that the original contract price and any additions shall be adjusted to exclude any significant sums by which the COUNTY determines the contract price was increased due to inaccurate, incomplete, or non-current wage rates and other factual unit costs. All such contract adjustments shall be made within one (1) year following the end of the contract. By executing this Agreement, the CONSULTANT has executed this certificate.

6.14 Public Entity Crimes. A person or affiliate who has been placed on the convicted vendor list following a conviction of a public entity crime may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity in excess of the threshold amount provided in Florida Statutes, section 287.017 for Category Two for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

6.15 Prohibition Against Contingent Fees. The CONSULTANT warrants that they have not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this Agreement, and that they have not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONSULTANT any fee, commission, percentage, gift or other consideration contingent upon or resulting from the award or making of this Agreement.

Article 7. General Conditions

7.1 This Agreement is made under, and in all respects shall be interpreted, construed, and governed by and in accordance with, the laws of the State of Florida. Venue for any legal action resulting from this Agreement shall lie in Lake County, Florida.

7.2 Neither Party may assign any rights or obligations under this Agreement or any claim arising out of the performance of this Agreement to any other party unless specific written permission from the other party is obtained.

7.3 The captions utilized in this Agreement are for the purposes of identification only and do not control or affect the meaning or construction of any of the provisions hereof.

7.4 This Agreement shall be binding upon and shall inure to the benefit of each of the parties and of their respective successors and permitted assigns.

7.5 This Agreement may not be amended, released, discharged, rescinded or abandoned, except by a written instrument duly executed by each of the parties hereto.

7.6 The failure of any party hereto at any time to enforce any of the provisions of this Agreement will in no way constitute or be construed as a waiver of such provision or of any other provision hereof, nor in any way affect the validity of, or the right thereafter to enforce, each and every provision of this Agreement.

7.7 During the term of this Agreement CONSULTANT assures COUNTY that it is in compliance with Title VII of the 1964 Civil Rights Act, as amended, and the Florida Civil Rights Act of 1992, in that CONSULTANT does not on the grounds of race, color, national origin, religion, sex, age, disability or marital status, discriminate in any form or manner against CONSULTANT employees or applicants for employment. CONSULTANT understands and agrees that this Agreement is conditioned upon the veracity of this statement of assurance.

7.8 CONSULTANT shall at all times comply with all Federal, State and local laws, rules and regulations.

7.9 The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

7.10 Wherever provision is made in this Agreement for the giving, service or delivery of any notice, statement or other instrument, such notice shall be in writing and shall be deemed to have been duly given, served and delivered, if delivered by hand or mailed by United States registered or certified mail or sent by facsimile, addressed as follows:

If to CONSULTANT:
Theora P. Braccialarghe
Gabriel Roeder Smith & Company
301 East Las Olas Blvd., Suite 200
Ft. Lauderdale, Fl 33301-2254

If to COUNTY:
County Manager
Lake County Administration Building
Post Office Box 7800
Tavares, Florida 32778-7800

cc: Sharon Wall
Employee Services Director
Post Office Box 7800
Tavares, Florida 32778-7800

Each party hereto may change its mailing address by giving to the other party hereto, by hand delivery, United States registered or certified mail notice of election to change such address.

Article 8. Scope of Agreement

8.1 This Agreement is intended by the parties hereto to be the final expression of their Agreement, and it constitutes the full and entire understanding between the parties with respect to the subject hereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made.

8.2 This Agreement contains the following Exhibits:

Exhibit A	Scope of Services
Exhibit B	Activity and Fee Summary Sheets
Exhibit C	Hourly Rates

AGREEMENT BETWEEN GABRIEL ROEDER SMITH & COMPANY AND LAKE COUNTY FOR ACTUARY SERVICES FOR THE
GOVERNMENTAL ACCOUNTING STANDARD BOARD (GASB)ISSUED STATEMENT 45, RFP 07-0072

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates
under each signature: COUNTY through its Procurement Office and by CONSULTANT through duly authorized
representative.

CONSULTANT

T. Braccialarghe
(Signature)

Typed Name: THEORA BRACCIALARGHE
Title: Senior Consultant & Actuary

Approved as to form and legality:

[Signature]
Sanford A. Minkoff
County Attorney

COUNTY
LAKE COUNTY,
OFFICE OF PROCUREMENT SERVICES

[Signature]
Barnett Schwartzman
Director

This 20th day of July, 2007

EXHIBIT A

SCOPE OF SERVICES

Assist the County in complying with the GASB 45 requirement that will establish standards for the measurement, display and recognition of OPEB expenses and liabilities. The actuarial study shall provide information to enable Lake County BCC to identify and manage the costs and liabilities associated with its retiree health and dental benefits.

The following agencies are covered under Lake County's benefits plan:

- Board of County Commissioners
- Property Appraiser
- Supervisor of Elections
- Water Authority
- District Five Medical Examiner
- Metropolitan Planning Organization

The minimum requirement of the actuarial study shall include the following, in a written report:

- A. Develop age-specific initial per capita costs on an actuarial basis for medical and prescription drug benefits (pre-65 and post-65), and other "benefit types" necessary for projecting long-term costs (for at least 5 years).
- B. Actuarial value of benefits, separately identifying amounts for actives and retirees including:
 1. Present Value of Future Benefits
 2. Actuarial Accrued Liability
 3. Plan Assets and Unfunded Actuarial Accrued Liability (UAAL)
 4. Normal Cost
- C. GASB 45 accounting information
 1. Annual Required Contribution (ARC), as dollar amount and percentage of payroll identifying (1) Normal Costs and (2) the outstanding balance and amortization amount for each component of the UAAL;
 2. Annual OPEB Cost (AOC), as a dollar amount and percentage of payroll; and
 3. Reconciliation of Net OPEB obligation (NOO) during the current year, and projected NOO at end of year.
- D. Information to assist the County in future budgeting, including:
 1. The ten year "pay-as-you-go" cost;
 2. Annual Required Contribution (ARC) to fund retiree benefits over the working lifetime of eligible employees; and
 3. Recommendations (as appropriate) on managing the liability.

All costs and liabilities should be separated between active employees and current retirees between pre-65 and post-65 where applicable. In addition, it may be necessary for the actuary to further breakdown results internally to facilitate calculation, such as to separate current and future retirees.

- E. The consultant will be required to consult and recommend to Lake County a methodology for and impact of funding OPEB. All recommendations must comply with all applicable State and Federal laws.
- F. The selected consultant will be expected to assist with oral presentations (to include handouts) to the Board of County Commissioners or others as deemed necessary. The consultant should also provide ongoing and open

communications over the course of the study. The pricing set forth in this agreement shall include one (1) oral presentation.

- G. Consultant will be required to review the plan after the first year of implementation and then every two years thereafter, during the term of the contract.
- H. The written report shall present the actuarial results, as described above. The scope of this engagement is for the preparation of one fully compliant Actuarial Valuation Report, with results applicable to two (2) fiscal years. The Valuation Data shall be October 1, 2006. The actuarial results providing the accounting information described in Item C., above shall be adjusted so as applicable to the fiscal year beginning October 1, 2007 and further adjusted and presented so as applicable also to the fiscal year beginning October 1, 2008. The timing of this Actuarial Valuation and its applicability is subject to GASB Statement No. 45. Under certain circumstances the Standard may require an updated Actuarial Valuation in addition to the one contemplated in this engagement.

The County may engage the CONSULTANT for supplemental actuarial and consulting work during the term of this Agreement, pursuant to the hourly rates set forth in Exhibit C.

EXHIBIT B

PROPOSAL PRICING

Task Description	Est. No. Hours	Personnel Classifications	Charge-Out Rate
Detailed Conference Call	3	A,SA,SC	\$ 500.00
Collect Plan Data & Summary			
Substantive Plan	7	A,SA,SC	\$ 1,200.00
Collect & Prepare Census Data	6	A,SA,SC	\$ 1,600.00
Per Capita Costs**	8	RS,SC	\$ 2,500.00
Calculate Benefits & PVs	16	A,SA,SC,PR	\$ 3,000.00
Calculate Expenses & Liabilities	5	A,SA,SC,PR	\$ 1,000.00
Prepare Draft Report	5	A,SA,SC,PR	\$ 1,000.00
Present Report	3	SC	\$ 1,000.00
Finalize Report	2	A,SA,SC,PR	\$ 500.00
Non-Standard Language (+5% of \$11,800)			\$ 590.00
KEY			
* A - Analyst		Total Labor	\$ 12,190.00
*SR - Senior Analyst			
*SC - Senior Consultant		Total Service Related Direct Expenses	\$ _____
*PR - Peer Review			
*RS - Senior Healthcare Specialist		Total Project	\$ 12,390.00

**Makely Consulting Group

Notes:

- Lake County is exempt from all taxes (Federal, State, and Local). Pricing should be less all taxes. A tax exemption Certificate will be furnished upon request.

All pricing submitted shall remain valid for a 90-day period. By signing and submitting a response to this solicitation, the vendor has specifically agreed to this condition.

EXHIBIT C

PROPOSED HOURLY BILLING RATES

Personnel	Typical Work Tasks	Hourly Billing Rate
Analyst	Prepare data, reports	\$ 150
Senior Analyst	Check work of analyst	\$ 180
Senior Consultant	Review work and make decisions or procedures	\$ 350
Peer Review Consultant	Review project	\$ 350
Senior Healthcare Specialist	Calculate Per capita costs	\$ 250
Senior Consulting Actuary	Review calculation of Per Capita costs	\$ 265

* Makely Consulting Group